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**West Monroe - West Ouachita
Chamber of Commerce, Inc.**

**Financial Statements
Years Ended December 31, 2004 and 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-13-05

West Monroe - West Ouachita Chamber of Commerce, Inc.

December 31, 2004 and 2003

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Francis I. Huffman, CPA
L. Fred Monroe, CPA
Esther Atteberry, CPA

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INDEPENDENT AUDITORS' REPORT

Board of Directors

West Monroe - West Ouachita Chamber of Commerce, Inc.

We have audited the accompanying statements of financial position of the **West Monroe - West Ouachita Chamber of Commerce, Inc.** (the Chamber) as of December 31, 2004 and 2003 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Chamber's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide* published by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Chamber as of December 31, 2004 and 2003 and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2005, on our consideration of the Chamber's internal control over financial reporting and our test of compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

(A Professional Accounting Corporation)

June 22, 2005

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WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2004	2003
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 22,778	\$ 63,066
Investments	6,490	6,449
Accounts receivable	37,600	12,017
Total current assets	<u>66,868</u>	<u>81,532</u>
Property, Plant and Equipment		
Land	42,982	42,982
Building	170,968	170,968
Equipment	47,662	47,662
Furniture and fixtures	33,497	33,497
Improvements	33,263	33,263
Total property, plant and equipment	<u>328,372</u>	<u>328,372</u>
Less: accumulated depreciation	<u>(127,589)</u>	<u>(104,008)</u>
Net property, plant and equipment	<u>200,783</u>	<u>224,364</u>
TOTAL ASSETS	<u><u>\$ 267,651</u></u>	<u><u>\$ 305,896</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 695	\$ 2,022
Accrued payroll taxes and retirement payables	4,835	8,387
Deferred revenue		
Membership dues	54,239	86,945
Total current liabilities	<u>59,769</u>	<u>97,354</u>
Net Assets		
Temporarily restricted	6,490	7,429
Unrestricted - undesignated	201,392	201,113
Total net assets	<u>207,882</u>	<u>208,542</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 267,651</u></u>	<u><u>\$ 305,896</u></u>

The accompanying notes are an integral part of these statements.

WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED

	December 31, 2004			December 31, 2003		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue						
Contributions	\$ 10,859	\$ -	\$ 10,859	\$ 3,958	\$ -	\$ 3,958
Special event:						
Golf tournament	16,819	-	16,819	16,438	-	16,438
Less cost of direct benefits to donors	(7,459)	-	(7,459)	(9,851)	-	(9,851)
Net revenue from special event	9,360	-	9,360	6,587	-	6,587
Contributions and net revenue from special events	20,219	-	20,219	10,545	-	10,545
Membership dues	173,085	-	173,085	141,034	-	141,034
Membership directory	4,508	-	4,508	9,000	-	9,000
Interest income	259	41	300	342	49	391
Other income	8,649	-	8,649	9,279	-	9,279
Economic development	45,764	-	45,764	83,242	-	83,242
Education	4,180	-	4,180	2,958	-	2,958
Member services	12,921	-	12,921	22,078	-	22,078
Membership development	30,348	-	30,348	22,149	-	22,149
Total	299,933	41	299,974	300,627	49	300,676
Net assets released from restrictions	980	(980)	-	1,000	(1,000)	-
Total Support and Revenue	300,913	(939)	299,974	301,627	(951)	300,676
Expenses						
Program services						
Economic development	43,367	-	43,367	69,744	-	69,744
Education	14,247	-	14,247	27,256	-	27,256
Governmental affairs	6,832	-	6,832	5,676	-	5,676
Member services	28,384	-	28,384	36,926	-	36,926
Supporting services						
Management and general	139,366	-	139,366	144,551	-	144,551
Membership development	65,113	-	65,113	63,074	-	63,074
Fund raising	3,325	-	3,325	2,902	-	2,902
Total Expenses	300,634	-	300,634	350,129	-	350,129
Increase (decrease) in net assets	279	(939)	(660)	(48,502)	(951)	(49,453)
Net assets at beginning of year	201,113	7,429	208,542	249,615	8,380	257,995
Net assets at end of year	\$ 201,392	\$ 6,490	\$ 207,882	\$ 201,113	\$ 7,429	\$ 208,542

The accompanying notes are an integral part of these statements.

WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED

	December 31,	
	2004	2003
Cash flow from Operating Activities:		
Decrease in net assets	\$ (660)	\$ (49,453)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:		
Depreciation	23,581	25,060
Changes in current assets and liabilities:		
Accounts receivable	(25,583)	4,078
Contributions receivable	-	1,934
Prepaid expenses	-	4,100
Accounts payable	(1,327)	772
Accrued payroll taxes and retirement payable	(3,552)	(5,840)
Deferred revenue	(32,706)	29,057
Total Adjustments	<u>(39,587)</u>	<u>59,161</u>
Net cash provided (used) by operating activities	<u>(40,247)</u>	<u>9,708</u>
Cash flow from Investing Activities:		
(Increase) decrease in investments	(41)	951
Purchase of equipment	<u>-</u>	<u>(5,240)</u>
Net cash used by investing activities	<u>(41)</u>	<u>(4,289)</u>
Net increase (decrease) in cash and cash equivalents	(40,288)	5,419
Cash and cash equivalents - beginning of year	<u>63,066</u>	<u>57,647</u>
Cash and cash equivalents - end of year	\$ <u>22,778</u>	\$ <u>63,066</u>

(Continued)

The accompanying notes are an integral part of these statements.

WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.
STATEMENTS OF CASH FLOWS (CONCLUDED)
FOR THE YEARS ENDED

	<u>December 31,</u>	
	<u>2004</u>	<u>2003</u>
Supplemental disclosures		
Noncash operating activities:		
Support and revenue:		
Contribution of accounting services	\$ 9,859	\$ -
Trade-outs received for membership dues	6,125	5,250
Trade-outs received for business showcase sponsorships	2,200	3,200
Trade-outs received for banquet tickets and sponsorships	4,015	1,490
Trade-outs received for golf tournaments teams	1,760	1,800
Trade-outs received for website advertising	-	500
Total noncash support and revenue	<u>\$ 23,959</u>	<u>\$ 12,240</u>
Expenses:		
Contributed accounting services	\$ 9,859	\$ -
Trade-outs used in economic development	4,015	3,200
Trade-outs used in membership development	2,200	1,490
Trade-outs use in fund raising	1,760	2,175
Trade-outs used in management and general	6,125	5,375
Total noncash expenses	<u>\$ 23,959</u>	<u>\$ 12,240</u>

WEST MONROE – WEST OUACHITA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 and 2003

Note 1 - Summary of Significant Accounting Policies

A. Organization

The West Monroe Chamber of Commerce, Inc. was incorporated under the laws of the State of Louisiana in March 1956, for the purpose of providing opportunities conducive to stable economic growth to enhance the quality of life for the citizens of the area. Due to the tremendous population growth throughout west Ouachita Parish, in 1986 the Board of Director's deemed it feasible to change the name to the West Monroe – West Ouachita Chamber of Commerce, Inc. (the Chamber). The Chamber receives dues for membership principally from businesses and individuals located in the City of West Monroe, Louisiana, and western Ouachita Parish.

B. Basis of Presentation and Accounting

The accompanying financial statements present activity only for the general operating accounts of the Chamber. Accordingly, accounts administered for and on behalf of outside parties are not presented.

The financial statements have been prepared on the accrual basis of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit Guide for Not-For-Profit Organizations*.

The financial statements of the Chamber are presented as recommended by the Financial Accounting Standards Board in Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Chamber is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2004 and 2003, there were no permanently restricted net assets.

C. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Chamber considers demand deposits, time deposits and certificates of deposits with an original maturity of three months or less to be cash equivalents.

D. Contributions

The Chamber has also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support

WEST MONROE – WEST OUACHITA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 and 2003

depending on the existence or nature of any donor restrictions.

E. Property and Equipment

The Chamber capitalizes all expenditures for property and equipment in excess of \$300. Purchased property and equipment is carried at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets. Estimated useful lives are generally as follows: Buildings, 20 years; Furniture & Fixtures, 7 years; Equipment, 5-7 years; and Building Improvements, 7-10 years. Depreciation expense in 2004 and 2003 was \$23,581 and \$25,060, respectively.

F. Deferred Revenues

The Chamber bills its membership for dues on the member's anniversary date. Revenue from membership dues is deferred and recognized in the statement of activities on a straight-line basis over a one year period.

G. Tax Status

The Chamber has qualified as an organization exempt from federal income taxes pursuant to Section 501(c)(6) of the Internal Revenue Code; therefore, there is no provision for income taxes in the accompanying financial statements.

H. Net Assets

Temporarily restricted net assets represent funds restricted by the donors for education and business college scholarships. As the Chamber expends these funds, the restrictions are removed and these amounts are reclassified to unrestricted net assets.

Net assets included on the Statement of Financial Position include only those assets considered for use by the Chamber in support of its mission. The Chamber administers the scholars' banquet for a foundation consisting of the Junior League of Monroe, Monroe Chamber of Commerce, NewsStar World Publishing Company, Bank One, and the Chamber. The following accounts are not included in the accompanying financial statement because they are neither owned nor controlled by the Chamber.

Scholar's Banquet CD

Scholar's Banquet Checking

WEST MONROE – WEST OUACHITA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 and 2003

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported revenues and expenses during the relevant period. Actual results could differ from the estimates.

Minor reclassifications have been made to prior year financial statements to make them comparable to the current year presentation.

J. Functional Allocation of Expenses

Program services are those directly related to the purposes for which the Chamber exists. Supporting services expenses reflect other expenses incurred in operating the programs, fund raising and membership development. Various operating expenses not directly connected with specific functions or program services are allocated to supporting services. The direct cost of providing the various programs and other activities have been summarized in the statements of activities. Salaries and employee benefits are allocated to program and supporting services based upon management's estimate of time each employee devotes to various activities.

Program services include:

Economic Development -- focuses on bringing business to West Ouachita parish area.

Education -- supports the education of the area through the Adopt-A-School program and the awarding of college scholarships.

Governmental Affairs -- focuses on state, local and federal government initiatives. On the local front, the Chamber has contracted with the City of West Monroe and Ouachita Parish Police Jury to represent these agencies in the areas of economic development, state and federal advocacy, and transportation and infrastructure.

Member Services -- benefits members of the Chamber by providing valuable information through newsletters and magazines. The Chamber also provides literature to newcomers to acquaint them with Ouachita Parish. This information is also available on the Chamber's website.

Supporting services include:

Management and General -- includes oversight, business management, general record keeping, budgeting and financing of the Chamber.

WEST MONROE – WEST OUACHITA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 and 2003

Member Development – includes soliciting for prospective members and membership dues.

Fund Raising – includes the cost of the golf tournament held each year by the Chamber.

Note 2 - Investments

Investments (consisting of certificates of deposit) are stated at amortized cost, which approximates market value. The Chamber uses these funds to award educational and business scholarships.

Note 3 - Employee Benefit Plan

The Chamber provides a defined contribution retirement plan for eligible employees. To participate in the plan, employees must be at least 21 years of age and have provided one year of service. The Chamber contributes 5% of each participating employee's earnings. Employees may contribute 1% to 10% of their earnings on an after-tax basis. The Chamber contributed \$2,857 in 2004 and \$6,729 in 2003.

Note 4 - In-Kind Services and Materials

Contribution of services are recognized when they are received if the services (a) enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. During 2004, the value of contributed accounting services recognized as revenue in the accompanying Statement of Activities was \$9,859.

Note 5 - Supporting Services

Management and General expenses consisted of the following for 2004 and 2003, respectively:

WEST MONROE – WEST OUACHITA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Salaries and employee benefits	\$ 36,266	\$ 29,064
Automobile expense	2,296	3,570
Awards and recognizations	434	-
Advertising	2,950	3,250
Building expenses	5,629	6,616
Contributions	369	100
Depreciation	23,581	25,060
Dues and subscriptions	2,389	3,049
Equipment maintenance	1,615	2,622
Equipment rental	1,260	967
Insurance	1,243	4,638
Office expense	10,251	17,723
Printing and reproduction	3,121	5,617
Professional fees	14,558	5,791
Professional development	1,180	4,901
Postage	2,624	8,003
Recruitment and hiring	1,667	-
Telephone	6,577	4,818
Travel and entertainment	5,147	6,361
Utilities	6,780	7,901
Other	<u>9,429</u>	<u>4,500</u>
 Total	 <u>\$ 139,366</u>	 <u>\$ 144,551</u>

Membership development expenses consisted of the following for 2004 and 2003, respectively:

	<u>2004</u>	<u>2003</u>
Salaries and benefits	\$ 29,324	\$ 41,319
Contract labor	10,277	-
Membership drive	256	375
Banquet expenses	24,813	21,380
Other	<u>443</u>	<u>-</u>
 Total	 <u>\$ 65,113</u>	 <u>\$ 63,074</u>

Fund raising expenses consisted of salaries and wages of \$3,325 and \$2,902 for 2004 and 2003, respectively.

SUPPLEMENTARY INFORMATION

**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**Board of Directors
West Monroe – West Ouachita
Chamber of Commerce, Inc**

We have audited the financial statements of the **West Monroe-West Ouachita Chamber of Commerce, Inc** (the Chamber) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated June 22, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Compliance

As part of obtaining reasonable assurance about whether the Chamber's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Chamber's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over the financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be

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**Board of Directors
West Monroe – West Ouachita
Chamber of Commerce, Inc**

detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of management of the Chamber, other entities granting funds to the Chamber and the Legislative Auditor of the State of Louisiana and is not intended to be used and should not be used by anyone other than these specified parties. Under Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "Ruffey Haffman & Kinsey".

(A Professional Accounting Corporation)

June 22, 2005